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# PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

## UNITED NATIONS COMMON SYSTEM

## UNITED NATIONS PENSION SYSTEM

Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission

Representation allowance for under-secretaries-general and assistant secretaries-general (A/C.5/47/39)

Seventh report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General (A/C.5/47/37) on the administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission (ICSC) 1/ and the report of the Secretary-General on representation allowance for under-secretaries-general and assistant secretaries-general and hospitality for official functions (A/C.5/47/39). During its consideration of the statement and the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information.

2. The Advisory Committee points out that the compensation of its Chairman and the Chairman and Vice-Chairman of ICSC, whose conditions of service are distinct and separate from those of Secretariat officials, is reviewed separately every five years by the General Assembly on the basis of proposals from the Secretary-General; the next such review is scheduled for 1995.

## I. ADMINISTRATIVE AND FINANCIAL IMPLICATIONS OF THE RECOMMENDATIONS AND DECISIONS CONTAINED IN THE REPORT OF ICSC

3. As indicated by the Secretary-General in paragraph 1 of his statement, the decisions and recommendations of the Commission that would entail financial implications for the biennium 1992-1993 relate to the following issues:

(a) Remuneration of the Professional and higher categories of staff: base/floor salary scale;

(b) Methodology for the determination of dependency allowances for the Professional and higher categories;

(c) Comprehensive review of conditions of service of assistant secretaries-general, under-secretaries-general and equivalent levels;

(d) Methodology to determine the level of the education grant and review of the level of the education grant.

4. As can be seen from the table following paragraph 34 of the Secretary-General's statement, the financial implications for the United Nations regular budget for 1993, as a result of the implications of the decisions and recommendations of ICSC, are estimated at $3,623,900.

5. Paragraphs 3 to 6 of the Secretary-General's statement deal with financial implications resulting from the establishment of a base/floor salary scale, approved by the General Assembly in its resolution 44/198 of 21 December 1989. As noted in paragraph 3, that scale "was part of an integrated package in which negative classes of post adjustment were eliminated: it is used also to calculate payments under the new mobility and hardship scheme, as well as separation payments".

6. The Advisory Committee notes from paragraph 5 of the Secretary-General's statement that, because of salary increases in the comparator civil service, the Commission has recommended an increase of 6.9 per cent, effective 1 March 1993, in the current base/floor salary scale through the consolidation of classes of post adjustment. The costs to the United Nations regular budget would amount to $1,040,900 for 1993; as shown in paragraph 34, most of that amount relates to anticipated payments under the mobility/hardship matrix.

7. As stated in paragraph 6 of the Secretary-General's statement, the implementation of the above-mentioned recommendation would also necessitate an increase of $8,811,600 for 1993 under section 36, Staff assessment, to be offset by an increase in the same amount under income section 1.

8. The methodology for the determination of dependency allowances for the professional and higher categories is covered in paragraphs 7 to 9 of the Secretary-General's statement. Those allowances comprise the children's allowance and the secondary dependant's allowance.

9. Following its review, the Commission recommended to the General Assembly the retention of the present methodology. The Commission also recommended that the current level of the children's allowance should be increased by 21 per cent and that of the secondary dependant's allowance by 50 per cent, both effective 1 January 1993. The costs to the United Nations regular budget would be $1,165,100 for 1993.

10. The comprehensive review of conditions of service of assistant secretaries-general/under-secretaries-general is discussed in paragraphs 10 to 30 of the Secretary-General's statement; the Commission's recommendations in this regard relate to four items: net remuneration, housing arrangements, pensions and representation allowances. No financial implications for these were given by ICSC; as stated in paragraph 29 of the Secretary-General's statement, the United Nations has estimated the costs to the regular budget for 1993 in respect of the four items and staff assessment.

11. With regard to net remuneration, the Advisory Committee notes in paragraph 14 of the Secretary-General's statement that ICSC, having recommended an increase in net remuneration for staff at the assistant secretary-general/under-secretary-general levels in the range of 7 to 11 per cent, also recommended that the specific level of increases should be determined by the General Assembly in the light of such recommendations as the Secretary-General might wish to make.

12. In paragraph 20 of his statement, the Secretary-General states that "in light of the measures taken to restructure the Secretariat of the United Nations, as well as the working level equivalents established by ICSC with the Executive Schedule of the comparator civil service, an increase of 9 per cent for under-secretaries-general and 7.5 per cent for assistant secretaries-general would be justified at this time". In view of the fact that the restructuring of the Secretariat is still continuing, as indicated by the Secretary-General in his statement to the Fifth Committee (ST/IC/1992/73), the Advisory Committee recommends that consideration of this issue by the General Assembly should be deferred until the process has been completed.

13. With regard to housing arrangements for staff at these levels, the Advisory Committee notes from paragraph 21 of the Secretary-General's statement that the Commission has reiterated its recommendation made in 1990 and 1991; should the General Assembly approve that recommendation, the cost to the United Nations regular budget has been estimated at $204,000 for 1993.

14. As far as the issue of pensions is concerned, the Advisory Committee notes from paragraph 23 of the Secretary-General's statement that the Commission recommends that the pensionable remuneration scale for staff at those levels be adjusted commensurate with changes in remuneration, but that alternative pension arrangements should be deferred; should the General Assembly approve this recommendation, the cost to the United Nations regular budget has been estimated at $67,200 for 1993.

15. In paragraphs 26 to 28 of his statement, the Secretary-General discusses the practice of some staff members of receiving national subsidies to

supplement their emoluments. In that regard, the Advisory Committee notes that the Secretary-General "intends, in conjunction with the introduction of a revised remuneration package for staff at the assistant secretary-general and under-secretary-general level, to require such staff to reaffirm that they do not receive any supplement to or pay any deduction from their emoluments to their national authorities".

16. The methodology to determine the level of the education grant and review of the level of the education grant are dealt with in paragraphs 31 to 33 of the Secretary-General's statement. Should the General Assembly approve that recommendation, the cost to the United Nations regular budget has been estimated at $704,400 for 1993.

## II. REPRESENTATION ALLOWANCE FOR UNDER-SECRETARIES-GENERAL AND ASSISTANT SECRETARIES-GENERAL AND HOSPITALITY FOR OFFICIAL FUNCTIONS

17. As recalled in paragraph 3 of the Secretary-General's report, the General Assembly, in its resolution 46/185 A of 20 December 1991, concurred with the Advisory Committee's recommendation and decided to defer until its forty-seventh session consideration of this item.

18. For reasons given in paragraph 5 of his report, the Secretary-General recommends that the representation allowance of under-secretaries-general and assistant secretaries-general be established by direct reference to salary in amounts equal to one month net remuneration.

19. The Secretary-General proposes to introduce the increase in the level of representation allowance on a gradual basis over the period 1993-1996 and the amounts would be established as follows: 60 per cent of monthly net remuneration in 1993; 70 per cent in 1994; 80 per cent in 1995; and 100 per cent in 1996. The Advisory Committee points out that this is not the basis upon which representation allowance has been paid hitherto, nor is it the basis upon which the representation allowances of the Secretary-General and the Administrator of UNDP have been established. It would also have the effect of establishing differentials in dollar amounts payable to officials of the same level depending on their duty station.

20. The Advisory Committee's recommendation with regard to representative allowance of under-secretaries-general and assistant secretaries-general is the same as the one made in paragraph 12 above on net remuneration for staff at those levels, that is, that consideration of this issue be deferred until the restructuring process has been completed.

## Notes

1/ Official Records of the General Assembly, Forty-seventh Session, Supplement No. 30 (A/47/30).

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